

Volume 6, Spring 2009

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Do You Have a Safe Harbor 401(k) Plan? Ahhh...Relief

The IRS, on May 18, 2009, published proposed regulations, Suspension or Reduction of Safe Harbor Nonelective Contributions, that would amend Regulations under Code §§401(k) and 401(m). These proposed regulations provide employers incurring a substantial business hardship an alternative to terminating their §401(k) safe harbor plans. Employers meeting certain requirements can reduce or suspend required safe harbor nonelective contributions without losing their plan's qualified status.

Background

Plans that contain a qualified cash or deferred arrangement (CODA) allow eligible employees to make a cash or deferred election with respect to their wages, meaning, these employees get to choose whether part of their wages are contributed as elective contributions to the plan or paid to them in cash. A qualified CODA must satisfy certain nondiscrimination requirements, including either the actual deferral percentage (ADP) test or one of the safe harbors under §401(k)(11), (12) or (13). A plan that allows employee contributions or provides for employer matching contributions is required to satisfy another nondiscrimination requirement called the actual contribution percentage (ACP) test or one of the safe harbors under §401(m)(10), (11) or (12). Generally, a plan that meets the safe harbor requirements is also exempt from the rules for top-heavy plans.

A plan that that intends to be a §401(k) safe harbor plan must:

- adopt a safe harbor plan before the beginning of the plan year that specifies whether the employer will make matching or nonelective contributions;
- maintain the safe harbor plan throughout a full 12-month plan year subject to certain exceptions (explained below);
- notify each eligible employee within a reasonable period before the beginning of each plan year of his or her rights and obligations under the plan; and
- make either matching or nonelective contributions at least as great as the rates required by its safe harbor.

There are two exceptions to the general requirement that an employer maintain a §401(k) safe harbor plan throughout a full 12-month plan year. An employer may:

- 1. amend a plan to reduce or suspend safe harbor matching contributions on future employee elective contributions for a plan year, or
- 2. terminate its safe harbor plan during the plan year.

New Federal Income Tax Withholding for Pensions

On May 14, 2009, the IRS announced new withholding adjustment procedures that could help some recipients of pension plan income avoid a smaller refund or even a balance due next April. These optional adjustment procedures are available in Notice 1036-P, Additional Withholding for Pensions for 2009, and may be used by pension income payors to adjust withholdings from pension payments. Payors who elect to use the optional adjustment procedures are encouraged to contact retirees who previously requested an adjustment to their withholdings after the February tables were released. Various factors, such as other earned income, can affect how much withholding, if any, is needed by people receiving pension income to satisfy their annual tax liability.

Requirements for reducing or suspending \$401(k) safe harbor matching contributions:

An employer must amend the plan to provide for the reduction or suspension and to satisfy all applicable nondiscrimination tests for the entire plan year. The effective date of the amendment cannot be earlier than 30 days after the plan notifies eligible employees of the suspension or reduction. Eligible employees must be given a reasonable opportunity to change their salary deferral elections after receipt of the notice. The plan must make all safe harbor matching contributions up to the amendment's effective date and must prorate the §401(a)(17) compensation limits.

Requirements for terminating a §401(k) safe harbor plan during the plan year:

An employer must make all required §401(k) safe harbor matching contributions through the date of termination. It must demonstrate that the plan would have satisfied all the requirements for amending the plan to reduce or suspend safe harbor matching contributions (other than the requirement that employees have reasonable opportunity to change their elections). Alternatively, the plan may terminate if the termination is in connection with a transaction described in §410(b)(6)(C) (minimum coverage requirement in certain situations involving acquisitions and dispositions) or if the employer incurs a *substantial business hardship* (comparable to a substantial business hardship under §412(c), previously under §412(d)).

Some factors taken into account to determine if an employer has suffered a *substantial business hardship* include whether:

- the employer is operating at an economic loss,
- there is substantial unemployment or underemployment in the trade or business and in the industry concerned, and
- the sales and profits of the industry concerned are depressed or declining.

Provisions of the proposed regulations:

The proposed regulations allow an employer that suffers a *substantial business hardship* to amend its plan to reduce or suspend the plan's safe harbor nonelective contributions if all the following requirements are satisfied:

- the plan is amended prior to the end of the plan year to reduce or suspend the safe harbor nonelective contributions;
- the plan as amended, provides that the ADP test (and ACP test if applicable to the plan) will be satisfied for the entire plan year in which the safe harbor nonelective contributions are reduced or suspended;
- all eligible employees must be given a "supplemental notice" that
 explains the reduction or suspension of future safe harbor nonelective
 contributions and its consequences, the procedures for changing
 employee elections and the effective date of the amendment;



- the reduction or suspension of the safe harbor nonelective contributions can occur no earlier than 30 days after giving eligible employees the supplemental notice and the amendment's adoption date, if later;
- all eligible employees must be given a reasonable period of time after they receive the supplemental notice (but prior to the reduction or suspension of the safe harbor nonelective contributions) to change their salary deferral elections; and
- the $\S401(a)(17)$ compensation limits must be prorated.

A plan that amends to reduce or suspend safe harbor nonelective contributions will be subject to the rules for top-heavy plans.

These proposed regulations are effective for amendments adopted after May 18, 2009 but plans may rely on them pending issuance of final regulations. To the extent the final regulations are more restrictive than these proposed regulations, they will not be applied retroactively.

We're Glad You Asked!

Each issue of the *RNE* looks at a common question we receive and provides an answer and additional resources in response to the question.

I received notice before 2009 that my employer's safe harbor 401(k) plan would match dollar-for-dollar up to the first 3% of my contribution to the plan and 50 cents on the dollar of my contribution above 3% and up to 5%. However, I was recently notified that my company will not make any matching contributions this year. Can they do this?

Yes. Due to the economic crisis, many employers are facing a tough choice to either terminate their 401(k) retirement plans or, alternatively, reduce or suspend matching contributions. An employer may reduce or suspend matching contributions after amending its plan. The employer must send a notice to all eligible employees of:

- the plan's amendment to reduce or suspend matching contributions, and
- their right, within a reasonable amount of time, to change their salary deferral election (the amount they contribute to the plan).

The employer must also make the matching contributions at the plan's previously stated rate for at least 30 days after it gives notice to employees.

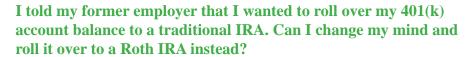
As an employee, you can generally elect, for 2009, to contribute the lesser of 100% of your salary or \$16,500 (\$22,000 if age 50 or older).

Additional Resource:

Regulations 1.401(k)-3







You can roll over money from your 401(k) to a Roth IRA if you meet certain income and filing requirements. The actions you need to take depend on whether or not the transfer of your 401(k) account balance to the traditional IRA has been completed.

To be able to roll over the 401(k) funds to a Roth IRA, you must meet **both** of the following conditions for the year of the rollover:

- 1. your <u>modified adjusted gross income</u> (MAGI) for Roth IRA purposes is \$100,000 or less; and
- 2. you are not a <u>married individual</u> filing a separate return.

If the rollover has not been completed:

- If you elected to do a <u>direct rollover</u> and the money has not yet been transferred to a traditional IRA, contact your plan administrator and change your rollover designation from a traditional IRA to a Roth IRA.
 - The plan administrator will complete <u>Form 1099-R</u> so that it properly reflects the rollover to the Roth IRA.
- If you chose to receive the 401(k) money and roll it over yourself, simply roll it to a Roth IRA within 60 days of receipt. Although in this case, you will have to replace the 20% withheld for income taxes if you want to roll over the entire amount that was in your 401(k) account.

You must include in your gross income the total <u>previously untaxed amount</u> that was in your 401(k) account.

If the rollover has been completed:

If the plan administrator **has** completed your original request to transfer the money to a traditional IRA or you have already completed the rollover yourself, you may move the funds to a Roth IRA through what is commonly called a "conversion."

You must satisfy the MAGI and filing status conditions <u>specified above</u> to make the conversion.

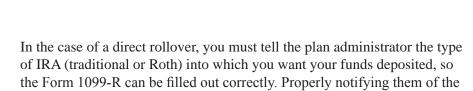
A <u>conversion</u> may be accomplished by a withdrawal from the traditional IRA and subsequent contribution to the Roth IRA within 60 days; or it may be accomplished by a direct transfer from a traditional to a Roth IRA.

If you convert a traditional IRA to a Roth IRA, for the year in which you transfer the money out of your traditional IRA, you must:

- 1. include in your gross income the previously untaxed amount; and
- 2. report the amount converted on <u>Form 8606</u> and attach it to your tax return.



type of IRA eliminates any confusion.



Form 1099-R:

If, in error, you told the plan administrator the funds are being directly rolled over to a traditional IRA, the Form 1099-R will show no taxes due. You should tell the plan administrator about the mistake as soon as possible so that the Form 1099-R will correctly show that taxes are due on the previously untaxed amounts.

Regardless of how the Form 1099-R is completed, an individual moving previously untaxed money into a Roth IRA is obligated to pay taxes on that money.

See <u>Publication 590</u>, *Individual Retirement Arrangements (IRAs)*, for additional information.

Like What You are Reading?

Please help us to improve the *Retirement News* for *Employers*. Take our short, anonymous survey and tell us about the articles you like or what you think should be in future editions. Let us know by May 27, 2009.

Information Reporting Program Advisory Committee Is Looking for New Members

The IRS is requesting membership nominations for the Information Reporting Program Advisory Committee (IRPAC). The deadline for submitting applications is May 29, 2009.

IRPAC is made up of 35 members who are appointed to three-year terms by the Commissioner. Each year, approximately one-third of the membership terms expire. Nominations are currently being accepted for up to six appointments that begin January 2010.

Established in 1991, IRPAC provides recommendations to the IRS on a wide range of information reporting and administration issues. The committee is made up of taxpayers, tax professionals and representatives from small and large businesses, colleges and universities, state tax administrators and payroll, insurance, banking and other financial industries. The IRPAC Committee presents a report to the IRS Commissioner every fall.

More information, including an <u>application form</u>, is available on the <u>Tax Professionals</u> page. Questions about the nomination process can be sent to the following e-mail address: *public liaison@irs.gov.





e-News for Small Businesses: A Time-Saver for You

Keeping up with federal tax requirements is not easy in today's fast-changing business environment. Even if you use a tax professional's services, you still need to know and understand your tax responsibilities.

That's why the IRS offers you a time-saver: e-News for Small Businesses – a bi-weekly newsletter that alerts you to what's new and important for small business owners. It's quick to read, easy to subscribe to - and it's free.

The e-News for Small Businesses features:

- Tax dates to help small business owners avoid missing a deadline;
- Links to new items on IRS.gov for small businesses;
- Reminders and tips to help you meet your tax obligations;
- Ouick links to IRS news releases and announcements; and
- Info about IRS products, services and educational opportunities.

Subscribe to *e-News for Small Businesses* on IRS.gov, click "Subscribe Now" at the bottom of the page and enter your e-mail address.

EPCRS Phone Forum - July 27, 2009

Joyce Kahn, Manager, Employee Plans Voluntary Compliance, and Avaneesh Bhagat, Employee Plans Voluntary Compliance Program Coordinator, will conduct a one-hour presentation on the Employee Plans Compliance Resolution System (EPCRS). The discussion will provide a brief overview of EPCRS and will focus on the most recent EPCRS guidance, Revenue Procedure 2008-50.

Free registration is now open until July 17, 2009.

Conference Access Code	Eastern	Central	Mountain	Pacific
196805	2:00 p.m.	1:00 p.m.	12:00 p.m.	11:00 a.m.

- Register at EP Phone Forum.
- You will be assigned a Personal Identification Number (PIN) that must be used to join the conference.
- If you have never registered with AT&T phone forum, you will need to click on "create a profile" first.

Dial in on July 27, 2009, toll free: 1 (866) 216-6835

- Dial in 15 to 20 minutes before the scheduled time.
- Enter your access code, then the pound (#) sign.
- Enter your PIN, then the pound (#) sign.
- Your line will be placed on hold until the conference begins.

Continuing Professional Education credits:

- An enrolled agent may earn one CPE credit if he or she listens to the presentation for 50 minutes. Other professional groups should consult with their respective licensing agencies regarding acceptability of credit.
- To receive credit, each participant must register individually and use his or her own PIN on an individual phone line.
- Certificate of Completion will be e-mailed to participants who meet the above requirements about a week after the forum.

If you have question(s), please contact us at ep.phoneforum@irs.gov.



Desk Side Chat...With Monika Templeman

Automatic Enrollment

In each issue, Monika Templeman, Director of EP Examinations, responds to questions and offers insights on retirement plan topics uncovered during audits. You may provide feedback or suggest future topics for discussion by e-mailing her at:

RetirementPlanComments@irs.gov

What is automatic enrollment?

Automatic enrollment is an automatic contribution arrangement that can be used as a feature in a retirement plan to allow employers to enroll employees in the company's plan once they become eligible to participate. The employer can then automatically reduce an employee's pay by a default percentage as stated in the plan and contribute that amount to the employee's plan account (automatic enrollment contribution). Employees only need to complete paperwork if they want a different amount withheld or to affirmatively elect not to participate in the plan. Generally, any plan that allows employee contributions can be amended to include the automatic contribution arrangement feature. The employee is 100% vested in automatic enrollment contributions.

Are plan sponsors using the automatic enrollment feature?

This feature is becoming very popular. According to a survey completed last year, more than 50% of large plans use automatic enrollment to some degree and the usage by small business plans doubled from the previous year.

For those plan sponsors who are still undecided on whether to amend their plans to add the feature, what are some of the benefits?

The benefits are many. Having a retirement plan helps an employer attract and retain very good employees, which in turn will save in recruiting, hiring and training costs. With some retirement plans, the significant tax advantage for the plan sponsor is deducting employer contributions. The benefit for the plan participants is deferring tax on pre-tax contributions and their earnings until later distributed. By having an automatic enrollment feature, an employer can assist employees in starting to save for their retirement. Younger employees often think of a new car, a new home, marriage and children before considering saving for retirement. This is one way to get them to participate in the employer's retirement plan as soon as they are eligible. Finally, having the automatic enrollment feature will most likely improve the plan's chances of passing the nondiscrimination test, or ADP test, if applicable to that plan, because more nonhighly compensated employees participate.

Can you give the readers a brief explanation of the acronyms contained in the recently released final regulations? Let's start with ACA.

I would be happy to. ACA stands for automatic contribution arrangement. We could describe it as the foundation, as the other types of arrangements we will discuss are built from this arrangement. Under a plan's ACA, the plan will state that it will automatically

Employee Plans Published Guidance

Announcements

Announcement 2009-34, 2009-18 I.R.B. 916

IRS will soon establish a program for preapproval of §403(b) prototype plans. This announcement includes a draft revenue procedure for issuing opinion letters for §403(b) prototype plans. IRS posted draft sample plan language to use to draft §403(b) prototype plans. IRS invites public comments before finalizing the 403(b) revenue procedure and sample plan language.

Notices

Notice 2009-22, 2009-14 I.R.B. 741

Provides interim rules regarding asset valuation methods permitted to be used by single employer defined benefit pension plans for minimum funding under the Worker, Retiree, and Employer Recovery Act of 2008 (WRERA). This notice also provides automatic approval to change the asset valuation method for plan years beginning during 2009 and adopt any permissible asset valuation method.

enroll employees unless they elect otherwise. The plan must specify the percentage of an employee's wages that will be automatically deducted from each paycheck as a contribution to the plan. The plan document must also provide that employees have the right to elect not to have salary deferrals withheld or to elect a different percentage to be withheld. Employees must be timely notified of these rights.

EACA is the next acronym. What does that stand for?

EACA stands for eligible automatic contribution arrangement. It is generally an ACA that provides that the automatic contribution percentage is a uniform percentage of compensation. An EACA is also exempted from certain distribution restrictions that otherwise apply to many plans. For example, an EACA may:

- allow participants to make permissible withdrawals participants can elect to withdraw any automatic enrollment contributions within 90 days of when they were first made; and
- distribute excess contributions and excess aggregate contributions to correct any applicable failed nondiscrimination tests within 6 months of the end of the plan year without the employer incurring the otherwise applicable 10% excise tax.

What is the benefit of using an EACA?

The main benefit is the plan's ability to offer permissible withdrawals. A basic ACA cannot offer this feature.

When do the final regulations become effective for EACAs?

The final regulations were effective when issued (February 24, 2009) and they generally apply to plan years beginning on or after January 1, 2010. However, plans using an EACA are required to operate in good faith compliance with the statute (Code §414(w)) prior to that time.

The last acronym is QACA. What does that stand for?

A qualified automatic contribution arrangement (QACA) is a type of ACA that allows a 401(k) plan to automatically pass the annual ADP and ACP nondiscrimination tests and the top-heavy tests. Generally, the plan must include certain required features, such as automatic employee contributions at certain specified minimum percentages of compensation that increase annually up to 6% by the fourth year but cannot exceed 10%, mandatory employer contributions, a special vesting schedule and specific notice requirements.

I'll ask the same question here as I did with EACA: What is the benefit of using a QACA?

The major reason plan sponsors use the QACA is to know that, as long as they meet the requirements of a QACA, they will not be required to perform the nondiscrimination and top-heavy testing required for other automatic enrollment plans.

Contributors to this Issue:

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Do the final regulations have the same effective date for QACAs as for EACAs?

No. Although the effective date is the same - February 24, 2009 - the final regulations for QACAs are generally applicable for plan years beginning on or after January 1, 2008. The only provision delayed until 2010 is the requirement to use a safe harbor definition of compensation for determining automatic enrollment contributions.

Am I correct in assuming this discussion only begins to touch on the requirements contained in the final regulations?

Yes. I have provided a very broad overview of the rules governing automatic contribution arrangements. However, I do want to emphasize their usefulness to get employees to start saving for their retirement as soon as they become eligible to participate in a retirement plan. Today, people are living longer and the cost of retirement is getting more expensive. An employer has an important role to play in helping employees save for their future and automatic enrollment is a proactive way to get employees to save now and continue to save. I only have so much room in this newsletter and could only provide a brief glimpse into the automatic enrollment world.

For plan sponsors wanting more information on automatic enrollment, see "Final Regulations Issued for Automatic Contribution Arrangements" in the Spring Edition of the *Employee Plans News*, which contains links to the final regulations and Acts that have impacted automatic enrollment. We also have a <u>publication</u>, *Automatic Enrollment 401(k) Plans for Small Businesses*, that discusses the automatic enrollment feature.





New on the Web

Here are the latest postings to the <u>Retirement Plans Community</u> web page:

IRS Requests Comments on Pilot Government Plan Questionnaire

We sent a <u>Government Plan Questionnaire</u> to a pilot group of governmental plans and posted it for public comment. Our goal is to provide governmental plans with tools, assistance and programs to help plans comply with federal pension law. This initiative will provide us with valuable information on how governmental plans comply with the Internal Revenue Code.

WRERA Election Form

Employee Plans Compliance Unit has provided a <u>WRERA election form</u> for multiemployer plans to satisfy the election and notice procedures under WRERA §§204 and 205, as described in <u>Notice 2009-31</u>.

Nonamenders and Voluntary Correction Program (VCP)

Voluntary Correction has written an <u>explanation</u> of how nonamender failures can be corrected through VCP. This explanation will tell you all you need to know about filing for relief, including when you can file (with examples of when Appendix D or F should be used) and when a determination letter application should be filed as part of the VCP submission.

EP Team Audit (EPTA) Program

The EPTA (Large Case Program) web pages have been updated to include:

- <u>EPTA Trends and Tips</u> (now organized according to plan type):
 - Common Trends Across All Plan Types
 - Multiemployer Plan Trends
 - 401(k) Plan Trends
 - Defined Benefit Plan Trends
 - 403(b) Tax-Sheltered Annuity Plan, 457 Plan and Governmental Plan Trends

"EPTA Trends and Tips" includes links to videos on the EPTA program and on finding, fixing and avoiding plan errors.

- <u>Internal Controls Questionnaire</u> Examples of questions asked by EP examiners to understand the system procedures and internal controls.
- <u>Taxpayer Documentation Guide</u> This guide, developed by EPTA agents and outside practitioners, provides a comprehensive list of documents that need to be made available for examination.



DOL News

The Department of Labor's Employee Benefits Security Administration (DOL/EBSA) announced new guidance as featured below. You can subscribe to <u>DOL/EBSA's</u> web site or <u>PPA</u> page for updates.

The American Recovery and Reinvestment Act of 2009 (ARRA)

If you have a group health plan subject to COBRA, the ARRA includes provisions that may apply to your plan. The ARRA expands eligibility for COBRA continuation coverage and provides a premium reduction to certain qualified individuals. Eligible individuals pay only 35% of their COBRA premiums and the remaining 65% is reimbursed to the employer, insurer or health plan through a tax credit. The premium reduction applies to periods of health coverage beginning on or after February 17, 2009, and lasts for up to nine months.

Individuals eligible for COBRA coverage because of an involuntary termination of employment that occurred from September 1, 2008 through December 31, 2009, and who elect COBRA may be eligible to pay the reduced premium amount. Those who are eligible for other group health coverage (such as a spouse's plan) or Medicare are *not* eligible for the premium reduction. There is no premium reduction for premiums paid for periods of coverage prior to February 17, 2009.

Individuals involuntarily terminated from September 1, 2008 through February 16, 2009, who did not elect COBRA when it was first offered OR who did elect COBRA but are no longer enrolled (for example because they were unable to continue paying the premium) have a new election opportunity. This election period begins on February 17, 2009, and ends 60 days after the plan provides the required notice. This special election period does not extend the period of COBRA continuation coverage beyond the original maximum period (generally 18 months from the employee's involuntary termination). COBRA coverage elected in this special election period begins with the first period of coverage beginning on or after February 17, 2009.

Plan administrators must provide notice about the premium reduction to all individuals, whether they have COBRA coverage or not, who had a qualifying event from September 1, 2008 through December 31, 2009. In addition, individuals eligible for the special COBRA election period should have received a notice informing them of this opportunity by April 18, 2009. The model notices issued by DOL/EBSA can be found at www.dol.gov/COBRA.



Individuals who are denied the premium reduction by their plan, employer or insurer may request an expedited review of the denial by the U.S. Department of Labor. DOL must make a determination within 15 business days of receipt of a completed request for review. DOL's process will, in many situations, involve sharing the applicant's information with the employer or plan administrator and requesting information from them regarding the applicant's coverage under the health plan and the reason for the employee's job loss.

DOL/EBSA has a dedicated <u>COBRA</u> web page. The archives of two webcasts held by DOL, joined by the Department of the Treasury and the IRS, are posted on this web page. Additional seminars and workshops around the country also are listed. Subscribe to DOL/EBSA's COBRA page for notification of updates.

Guidance on Defined Benefit Plan Annual Funding Notice

On February 10, DOL/EBSA issued Field Assistance Bulletin 2009-01 (FAB) addressing a need for interim guidance pending the adoption of regulations or other guidance under ERISA §101(f) by announcing a "good faith" enforcement policy. The FAB also includes technical assistance in the form of questions and answers and model annual funding notices.

The PPA amended ERISA to require plan administrators of defined benefit pension plans to provide participants and others with information annually about the funding status of their plans.

Free Compliance Assistance Events

For dates and locations of free compliance assistance events sponsored by EBSA for both retirement and health benefit plans, visit <u>EBSA's</u> homepage.

Notice of Approval to Extend Form 5500 Filing

The CP216F Notice, *Application For Extension of Time to File an Employee Plan Return-Approved*, acknowledges IRS approval of a plan sponsor's request, on Form 5558, for an extension to file a Form 5500 return. Any CP216F Notice issued between February through April 2009, had an incorrect statement telling the filer to attach a copy of this notice to the Form 5500. We have corrected the CP216F Notice to delete this statement. It does not need to be attached to your Form 5500 and is for your records only. We will not assess penalties related to this notice.





Retirement News for Employers is a free, quarterly newsletter aimed at keeping employers informed about retirement plan sponsorship. RNE is prepared by the IRS's Employee Plans (Tax Exempt and Government Entities) office.

For your convenience, RNE includes Internet links – identified by the blue underlined text – to referenced materials.

How to Subscribe

RNE is distributed exclusively through IRS e-mail. Sign up for your free subscription by going to the <u>Retirement Plans Community</u> web page and selecting "Newsletters" in the left pane. Prior editions of the RNE are also archived there.

Send Comments/Suggestions to:

EP Customer Education & Outreach SE:T:EP:CEO 1111 Constitution Ave., N.W., PE-4C3

Washington, DC 20224 FAX: (202) 283-9525

E-Mail: RetirementPlanComments@irs.gov

Have a Ouestion?

For taxpayer assistance with retirement plans technical and procedural questions:

Please call (877) 829-5500 or visit the "Contact EP/Services" section at www.irs.gov/ep.

For questions relating to retirement income, IRAs, Roth IRAs, educational IRAs, medical savings accounts, and §125 cafeteria plans:

Please call (800) 829-1040.

Mark Your Calendar

Operating a retirement plan can be a time-consuming job. There are deadlines, not just for reports and forms but also for making contributions and giving information to participants. Here are some important dates in the upcoming months. Please note that the filing dates are for calendar-year end plans. Noncalendar-year end plans must adjust their dates.

June 24: EBSA Seminar: <u>Getting It Right: Know Your Fiduciary Responsibilities</u> – Chicago, IL.

July 7 - 9: <u>IRS Nationwide Tax Forum</u> – Las Vegas, NV.

July 9: EBSA Seminar: <u>Getting It Right: Know Your Fiduciary Responsibilities</u> – Atlanta, GA.

July 14 - 16: <u>IRS Nationwide Tax Forum</u> – San Diego, CA.

July 15: Second quarter defined benefit plan employer contribution due.

July 31: "Form 5500 Day" – File with DOL/EBSA

2008 Form 5500, Annual Return/Report of Employee Benefit Plan, or

2008 <u>Form 5500-EZ</u>, Annual Return of One-Participant (Owners and Their Spouses) Retirement Plan, or

<u>Form 5558</u>, *Application for Extension of Time to File Certain Employee Plan Returns*, with IRS to request an automatic 2 1/2 -month extension (October 15, 2009).

August 4 - 6: IRS Nationwide Tax Forum – Orlando, FL.

August 25 - 27: IRS Nationwide Tax Forum – New York, NY.

September 8 - 10: IRS Nationwide Tax Forum – Dallas, TX.

September 24 - 26: IRS Nationwide Tax Forum – Atlanta, GA.

For a comprehensive list of upcoming EP Educational Events, visit the Retirement Plans Community web page.



Department of the Treasury Publication 4278 (05-2009) Internal Revenue Service Catalog No. 37968D www.irs.gov

Timing is Everything

Some helpful retirement tips for employees from the IRS...





It's not too late to plan for 2009.

Have you received a raise? Did your child graduate from college? Did you graduate? Congratulations! Consider decreasing your taxable income and increasing your retirement savings...

- Many retirement plans have quarterly or semi-annual entry dates. If you are not already participating in your plan, consider joining on the next entry date.
- If you are already participating, consider increasing your deferrals. You may also want to consider contributing to a traditional or Roth IRA. For 2009 you can generally contribute up to:
 - IRA \$5,000
 - SIMPLE plan \$11,500
 - 401(k) or 403(b) plan \$16,500
- If you turn 50 at any time during 2009, you may be eligible to make <u>catch-up contributions</u>. For 2009, the maximum catch-up contribution is:
 - IRA \$1,000
 - SIMPLE plan \$2,500
 - 401(k) or 403(b) plan \$5,500



• Did you notice that you are receiving more in your paycheck? Use the <u>IRS's Withholding Calculator</u> or <u>Publication 919</u> and review your <u>Form W-4</u> to verify that you are having the proper amount of tax withheld.

For more retirement tips, talk to your employer or visit www.irs.gov/ep, select "Plan Participant/Employee" and click on "Timing is Everything."